

June 2011 Analysis of Revenue Collections

June Revenues

Department of Revenue tracked tax collections were up \$1.1 billion, or 7.83% for the fiscal year.

Individual categories year to date are as follows:

- Individual Income taxes increased \$632.3 million or 9.01%.
- Sales and Use Tax collections increased \$321 million or 6.72%.
- Corporate Income Tax collections decreased \$13.5 million or -2%.
- Total Motor Fuel Tax collections increased \$92.4 million or 11.2%.

Please note that amounts referenced in this report for both FY2010 and FY2011 are preliminary year-end revenues tracked via monthly revenue reports from the Department of Revenue. Audited reports that also contain non-DOR tracked revenues will be released at a later date.

Revenue Trajectory

In order to meet the revenue estimate for tax revenue (which accounts for 86% of total state funds) the state needed to grow approximately 5 percent in FY2011 compared to FY2010.

At 7.83% growth year to date, the state has tentatively finished above this target growth rate.

Preliminary FY2011 collections are \$1.1 billion above FY2010 and approximately \$314 million above the FY2011 General Revenue Estimate. As non-DOR revenues are collected and accrual adjustments are made this number will shift.

The FY2012 budget assumes growth of \$600 million more than FY2011 collections (approximately \$900 million above the FY2011 amended budget).

Revenue Shortfall Reserve

The preliminary RSR as of June 2011 is at \$116 million, covering the cost of approximately 3 days of state operations. The preliminary tax revenue reports indicate that this will grow to approximately \$300 million (net total after the estimated \$178 million mid-year adjustment), equivalent to 8 days of state operations. In 2007, the state had the equivalent of 31 days of state operations in reserve.